

## Message Text

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ORIGIN OES-05

INFO OCT-01 ISO-00 IO-11 L-03 NEA-10 SP-02 SS-15 SSO-00

INR-07 INRE-00 EB-07 /061 R

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O 151810Z MAR 76

FM SECSTATE WASHDC

TO USMISSION IAEA VIENNA NIACT IMMEDIATE

INFO AMEMBASSY NEW DELHI IMMEDIATE

AMCONSUL BOMBAY IMMEDIATE

C O N F I D E N T I A L STATE 062298

STADIS////////////////////////////////////

E.O. 11652: GDS

TAGS: TECH, ENRG, IN

SUBJECT: INDIAN NUCLEAR FUEL EXPORT LICENSE PROCEEDINGS

REF: KRATZER/LABOWITZ TELECON

1. NRC LETTER DATED MARCH 12 REQUESTS RESPONSES TO  
NUMBER OF QUESTIONS RELATING TO INDIAN NUCLEAR POWER  
PROGRAM, ESPECIALLY REPROCESSING PLANS AND FACILITIES.  
CONGEN BOMBAY HAS ALREADY BEEN REQUESTED TO RESPOND TO  
A NUMBER OF TECHNICAL QUESTIONS CONCERNING INDIAN  
REPROCESSING FACILITIES AND PLANS. AS REQUESTED IN  
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REFTELCON, IT WOULD BE APPRECIATED IF VIENNA WOULD

PROVIDE INFORMATION ON AGENCY SAFEGUARD PLANS WHICH WOULD BE OF ASSISTANCE IN RESPONDING TO FOLLOWING QUESTIONS POSED BY NRC. INFORMATION SHOULD BE SENT NIACT IMMEDIATE SO AS TO ARRIVE DEPARTMENT BY 9 A.M., MARCH 17:

"1. IN THE PRESIDENT'S REPORT TO THE CONGRESS ON NUCLEAR EXPORTS AND SAFEGUARDS OF MARCH 31, 1975, HE IDENTIFIED THE OBJECTIVE OF IAEA SAFEGUARDS AS 'THE PREVENTION OF NATIONAL DIVERSION OF NUCLEAR MATERIAL FROM PEACEFUL APPLICATION BY THE RISK OF EARLY DETECTION.' (REPORT AT P. 3) HOW IS THE SAFEGUARDS REVIEW CITED IN THE

PRECEDING PARAGRAPH SEEKING TO ASSURE DETECTION AT AN EARLY ENOUGH POINT IN TIME TO PERMIT THE INTERNATIONAL COMMUNITY TO REACT BEFORE NUCLEAR EXPLOSIVES HAVE BEEN FABRICATED FROM THE DIVERTED MATERIAL? BY WHAT OTHER CRITERIA ARE THE EFFECTIVENESS OF PROPOSED SAFEGUARDS ON THE TARAPUR REPROCESSING FACILITY BEING JUDGED?

"2. HAS THE EXECUTIVE BRANCH FORMULATED SPECIFIC SAFEGUARDS OPTIONS FOR APPLICATION AT THE TARAPUR REPROCESSING FACILITY WHICH IT BELIEVES WOULD EITHER PRECLUDE DIVERSION OF PRODUCED SNM OR WHICH WOULD ENSURE THAT DETECTION OF A DIVERSION WOULD OCCUR AT LEAST SEVERAL MONTHS IN ADVANCE OF THE FABRICATION OF A NUCLEAR EXPLOSIVE MADE FROM THE DIVERTED MATERIAL? WHAT CONSIDERATIONS ARE THESE OPTIONS RECEIVING? IF SUCH OPTIONS HAVE BEEN PROPOSED TO THE INDIAN GOVERNMENT, WHAT RESPONSE WAS RECEIVED?

"3. FOR EACH OPTION REFERRED TO IN RESPONSE TO QUESTION II (2), STATE HOW IT IS NOW ENVISAGED THAT SUCH OPTION WOULD PROVIDE THE EARLY WARNING DESCRIBED IN THAT QUESTION IN THE CONTEXT OF (A) STOCKPILED SPENT FUEL IN THE PRESENCE OF A SUBSTANTIAL REPROCESSING CAPABILITY WHICH WOULD PERMIT RAPID REPROCESSING OF STORED SPENT FUEL; (B) STOCKPILED PLUTONIUM (IN NITRATE OR OXIDE FORM); OR (C) STOCKPILED MOX FUEL IN THE PRESENCE OF A SUBSTANTIAL REPROCESSING CAPABILITY WHICH WOULD PERMIT

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RAPID REPROCESSING OF STORED MOX FUEL TO RE-SEPARATE THE PLUTONIUM CONTAINED THEREIN."

2. FOR NEW DELHI AND BOMBAY: QUESTIONS CITED ABOVE ARE AMONG SEVERAL POLICY QUESTIONS CONTAINED IN NRC LETTER, OF WHICH NEW DELHI AND BOMBAY WERE INFORMED BY STATE TEL 062049. ABOVE QUESTIONS SHOULD NOT REPEAT NOT OF COURSE BE DISCLOSED TO INDIAN ATOMIC ENERGY COMMISSION. HOW-

EVER, IN CONNECTION WITH DEVELOPING RESPONSES TO QUESTIONS IN STATE 062049, YOU MAY INFORM SETHNA THAT PURPOSE OF THIS NRC INQUIRY IS TO APPARENTLY HELP THEM DEVELOP INDEPENDENT ASSURANCE THAT EFFECTIVE SAFEGUARDS WILL BE APPLIED TO ANY REPROCESSING IN INDIA. IN THIS REGARD, WE BELIEVE IT IS OF UTMOST IMPORTANCE THAT WE OBTAIN DETAILED INFORMATION ON PROPOSED AGENCY SAFEGUARDS PROCEDURE TO BE APPLIED TO INDIAN REPROCESSING FACILITY. THESE ARE CONTAINED IN DRAFT LETTER ON PROCEDURES ALREADY PROVIDED BY IAEA TO INDIAN ATOMIC ENERGY COMMISSION, ON WHICH IAEA IS STILL AWAITING INDIAN RESPONSE. IN OUR VIEW, AGENCY RESTRICTIONS ON DISCLOSURE TO BOTH PARTIES OF A TRILATERAL AGREEMENT

OF THE PROCEDURES WHICH IT INTENDS IN CONDUCTING SAFEGUARDS IS ILL-ADVISED. HOWEVER, SINCE IT IS UNLIKELY THAT WE CAN MODIFY AGENCY OPINION IN SHORT-TERM, IT WOULD BE EXTREMELY USEFUL AND PERHAPS CRUCIAL TO OUR EFFORTS TO RESOLVE THIS LICENSE APPLICATION PROBLEM TO OBTAIN AGENCY LETTER FROM INDIANS, OR AT LEAST THEIR AUTHORIZATION TO IAEA TO MAKE IT AVAILABLE.

3. IN THIS REGARD, SETHNA RATIONALE CITED IN NEW DELHI 2633 (BOMBAY 0427) INDICATES THAT THERE MAY BE SOME MISUNDERSTANDING AS TO WHAT U.S. IS SEEKING AND THE REASONS THEREFOR. SETHNA'S CONTENTION (PARA. 7 OF BOMBAY 0427) THAT HE SEES GREAT DIFFICULTY IN GIVING AGREEMENT FOR IAEA RELEASE TO U.S. OF DATA THAT AGENCY DID NOT RELEASE TO INDIA ITSELF IS NOT VALID. WHAT WE ARE REQUESTING AT THIS TIME IS INFORMATION ON IAEA SAFEGUARD PLANS. INDIA WILL, BY DEFINITION, KNOW WHAT THE IAEA IS DOING TO APPLY SAFEGUARDS TO TARAPUR, AND, INDEED, AS NOTED ABOVE, IAEC HAS ALREADY RECEIVED IAEA CONFIDENTIAL

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LETTER DESCRIBING PLANS FOR SAFEGUARD IMPLEMENTATION. ON THE OTHER HAND, UNDER PRESENT AGENCY RULES, WE WILL NOT KNOW WHAT SAFEGUARDS ACTIVITIES ARE BEING CONDUCTED, DESPITE FACT THAT, UNDER TRILATERAL AGREEMENT, IAEA IS APPLYING THE SAFEGUARDS PROVISIONS OF OUR BILATERAL AGREEMENT.

- --WHAT SETHNA SEEMS TO BE OBJECTING TO IS POSSIBLE RECEIPT OF RESULTS OF IAEA SAFEGUARDS ACTIVITIES WHICH INDIA DOES NOT ITSELF RECEIVE. WE THINK THIS IS A VALID CONCERN; IN ANY EVENT, WE ARE NOT NOW ADDRESSING OURSELVES TO RESULTS OF SAFEGUARDS ACTIVITIES, BUT ONLY TO A DESCRIPTION OF THESE ACTIVITIES THEMSELVES; INITIALLY, IN TERMS OF THE AGENCY'S PLANS, AND, LATER, AFTER IMPLEMENTATION BEGINS, OF THE ACTIVITIES ACTUALLY

UNDERTAKEN.

--RELYING ON ABOVE, DEPT WOULD APPRECIATE YOUR  
MAKING RENEWED EFFORTS TO SECURE SETHNA AGREEMENT TO  
IAEA RELEASE OF SAFEGUARD PLANS, RPT PLANS. THIS, OF  
COURSE, SHOULD BE UNDERTAKEN IN WAY NOT TO PREJUDICE  
SETHNA'S PROMPT RESPONSE TO QUESTIONS OF STATE 062049.  
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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NUCLEAR SAFEGUARD, POLICY, NUCLEAR FUEL, EXPORT LICENSES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 MAR 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** saccheem  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
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**Film Number:** D760097-0347  
**From:** STATE  
**Handling Restrictions:** n/a  
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**TAGS:** TECH, ENRG, IN  
**To:** IAEA VIENNA  
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